

United States Senate

WASHINGTON, DC 20510

April 25, 2013

Honorable Patty Murray
Chairwoman
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies
Senate Appropriations Committee
Senate Dirksen Building, 142
Washington, DC 20510

Honorable Susan Collins
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies
Senate Appropriations Committee
Senate Dirksen Building, 128
Washington, DC 20510

Dear Chairwoman Murray and Ranking Member Collins:

As the subcommittee begins its consideration of an appropriation bill for the agencies within the jurisdiction of the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, I respectfully request support for the programs listed below. The funding requested for the national programs is to be spent at the agencies' discretion within the existing budget line and is not intended for any specific business, state, community or other entity.

1. Title: Native American Housing Block Grants

Program Description: Title I of the *Native American Housing Assistance and Self-Determination Act of 1996* (P.L. 104-330) authorized the Native American Housing Block Grant program. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address housing needs within their communities. The Department of Housing and Urban Development (HUD) estimated that in 2011, out of a population of 1.5 million American Indians and Alaska Natives in block grant formula areas, over 100,000 households were either overcrowded or lacked adequate plumbing or kitchen facilities.

Fiscal Year 2013 Enacted: \$650 Million

Fiscal Year 2014 President's Budget Request: \$650 million

Additional Amount Requested: +\$50 million

Rationale: The President's Budget request does not meet all tribal housing needs as reflected in HUD estimates that 100,000 households are overcrowded and lack adequate plumbing. Additional funding will keep pace with the increased cost housing construction, energy costs, and other inflationary factors.

Budget Account: Housing and Urban Development, Public and Indian Housing Programs, Native American Housing Block Grants

2. Title: Essential Air Services

Program Description: Through 1997, the Essential Air Service program was funded from the Airport and Airway Trust Fund. Starting in 1998, the Federal Aviation Administration reauthorization funded it as a mandatory program supported by overflight fees under the Essential Air Service and Rural Airport Improvement Fund. In addition to mandatory funding supported by overflight fees, direct appropriations from the Airport and Airway Trust Fund to Payments to Air Carriers have been enacted every year beginning in 2002 to meet the needs of the Essential Air Service program.

Fiscal Year 2013 Enacted: \$143 million

Fiscal Year 2014 President's Budget Request: \$146 million

Additional Amount Requested: Support the President's Budget

Budget Account: Transportation, Office of the Secretary of Transportation, Trust Funds, Payments to Air Carriers

3. Title: Title XI Loans

Program Description: The Maritime Guaranteed Loan (Title XI) program provides for a full faith and credit guarantee of debt obligations issued by U.S. or foreign ship owners to finance or refinance the construction, reconstruction, or reconditioning of U.S.-flag vessels or eligible export vessels in U.S. shipyards; or for a full faith and credit guarantee of debt obligations issued by U.S. shipyard owners to finance the modernization of shipbuilding technology at shipyards located in the United States.

Fiscal Year 2013 Enacted: \$0

Fiscal Year 2014 President's Budget Request: No new loan subsidy funds are requested for additional ship construction loan guarantees in 2014.

Additional Amount Requested: +\$35 million

Accompanying Report Language Requested: The Committee recognizes the importance that the Title XI program provides for the advancement of shipbuilding, aiding the U.S.-flag fleet, and sustainment of jobs for this critical sector of our national defense. Additionally, with the implementation of the International Maritime Organization's new air emission regulations, the Emission Control Areas (ECA), U.S.-flagged ship operators need to build new ships or significantly reconfigure existing ships to meet these requirements. In order to meet 2020 emissions deadlines, U.S. carriers need to begin planning and construction in the next few years. The Maritime Administration should prioritize ECA-related shipbuilding and refurbishment projects. Therefore, the Committee recommends an increase of \$35 million.

Rationale: A strong U.S. built and operated merchant marine is critical to national security, providing strategic sealift during times of war, and to the prosperity of non-contiguous states like Alaska, Hawaii, and Puerto Rico that rely on U.S.-flagged ships for interstate commerce. When new environmental regulations were imposed by the *Oil Pollution Act of 1990* (OPA-90), the Title XI loan guarantee program proved critical in allowing the U.S.-flagged fleet to meet the new requirements. The ECA requirements are

analogous to the OPA-90 requirements in that they require significant new building and refurbishment of existing ships to meet new environmental requirements. Expanding the Title XI program will allow U.S.-flagged operators to refurbish their fleets and continue to meet national objectives for a robust domestic merchant marine and healthy U.S. shipbuilding industrial base.

Budget Account: Department of Transportation, Maritime Administration, Maritime Guaranteed Loan (Title XI) Program

4. Title: Assistance to Small Shipyard Grants

Program Description: The Assistance to Small Shipyards program assists shipyards across the country providing essential services to commercial and government ships. The *National Defense Authorization Act of 2006* authorized the Maritime Administration to make grants for capital and related improvements at eligible shipyard facilities that will foster efficiency, competitive operations, and quality ship construction, repair, and reconfiguration. Grant funds may also be used for maritime training programs to enhance technical skills and operational productivity in communities whose economies are related to or dependent upon the maritime industry.

Fiscal Year 2013 Enacted: \$10 million

Fiscal Year 2014 President's Budget Request: No new resources requested

Additional Amount Requested: +\$10 million

Rationale: These grants support a vital segment of America's maritime economy and promote long-term job creation opportunities for smaller shipyards which often are not eligible for other sources of funding. Recognizing the importance of this program Congress provided approximately \$10 million in Fiscal Year 2012 and Fiscal Year 2013.

Budget Account: Transportation, Maritime Administration, Assistance to Small Shipyards

5. Title: Safe Routes to Schools

Fiscal Year 2013 Enacted: \$808.8 million

Fiscal Year 2014 President's Budget Request: \$819.9 million

Additional Amount Requested: Support President's Budget

Bill Language Requested: (h) APPLICABILITY OF TITLE 23.—Funds made available to carry out this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code; except that the Federal share of the cost of a project or activity carried out under subsection (b)(3) that benefits a school in which 40 percent or more of children qualify for free or reduced lunch shall be 100 percent.

Report Language Requested: The Safe Routes to Schools program has proven to be effective in reducing injuries to child pedestrians by up to 50 percent, but requiring a 20 percent local match precludes many low-income areas, the areas which may benefit the most from the program, from participating. The requested language would clarify that

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Congress did not intend this program to shift from a fully funded federal program to one with a local cost share for low-income schools when it was included in the Transportation Alternatives program by MAP-21. This will ensure low income schools are able to qualify for these grants.

Rationale: Many communities are unable to meet the new 20 percent local match requirements that MAP-21 placed on Safe Routes to Schools.

Budget Account: Department of Transportation, Federal Highway Administration, Federal-aid Highways, Transportation Alternatives Program

6. Title: Indian Community Development Block Grant

Program Description: This program provides eligible grantees with direct grants for use in developing viable Indian and Alaska Native communities, including decent housing, a suitable living environment, and economic opportunities, primarily for low- and moderate-income persons. Within this account, \$10 million will be set aside to address mold issues in Indian housing.

Fiscal Year 2013 Enacted: \$60 million

Fiscal Year 2014 President's Budget Request: \$70 million

Additional Amount Requested: Support President's Budget Request

Budget Account: Housing & Urban Development, Community Development Fund, Indian Tribes

Thank you for your consideration of these requests. Please do not hesitate to contact my staff member, Lindsay Kavanaugh, at (202) 224-1924 if additional information is required.

Sincerely,



Mark Begich
United States Senator